

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

P.O. Box 11263  
Columbia, S.C. 29211



Phone: 803-737-0800  
Fax: 803-737-0801

DAN E. ARNETT  
CHIEF OF STAFF

JOHN W. FLITTER  
DIRECTOR  
ELECTRIC & GAS REGULATION

March 28, 2008

**VIA ELECTRONIC-DELIVERY**

Charles L.A. Terreni  
Chief Clerk & Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Application of South Carolina Electric & Gas Company ("SCE&G") for Implementation of Time-of-Use Rates for Residential and Commercial Customer Classes – Request of SCE&G that the Commission Issue and Order Suspending Rate 28 Indefinitely, Effective March 20, 2008  
Docket No. 2007-171-E

Dear Mr. Terreni,

This is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed SCE&G's request for the Commission to issue an Order suspending Rate 28 indefinitely, effective March 20, 2008. The Request indicates the Company initially proposed this Time-of-Use Demand rate to be revenue neutral for the load characteristic of the small general service customers. The Company recently conducted a review of Rate 28 and found that it would not function as intended with respect to revenue neutrality; therefore, the Company is requesting this Rate be suspended in order to afford time to more fully examine the consequences and determine the proper course of action. ORS has no objection to the request to suspend Rate 28, but reserves ORS's right to review and comment on any future design options or offerings that may be proposed.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Nanette S. Edwards, Deputy General Counsel, SC ORS  
Shannon Bowyer Hudson, Esquire, SC ORS  
K. Chad Burgess, Senior Counsel, SCE&G  
Dr. James Spearman, Executive Assistant, PSCSC